

SALVAGE VEHICLE AGENT LICENSE

Q. What is a salvage vehicle agent license?

A. It is a certificate issued by TxDMV to a person who:

1. Acquires, sells or otherwise deals in salvage or nonrepairable motor vehicles in this state as directed by a salvage vehicle dealer whose license you operate under; or
2. Acts as a salvage vehicle agent, including a person who stores or displays motor vehicles as an agent or escrow agent of an insurance company.

Note: A salvage vehicle agent must be affiliated with a specific licensed salvage vehicle dealer. A person is not required to obtain a salvage vehicle agent license if the person is:

- a. Salvage vehicle dealer.
- b. Partner, owner or officer of a business entity that holds a salvage vehicle dealer license.
- c. Employee of a licensed salvage vehicle dealer.
- d. Person who only transports salvage motor vehicles for a licensed salvage vehicle dealer.

Q. How do I apply for a salvage vehicle agent license?

A. You must complete a *Salvage Vehicle Agent License Application* (Form VTR-437-A).

Q. What is the fee for a salvage vehicle agent license?

A. The initial fee is \$95.00 for **each** license classification requested.

LICENSE RENEWAL

Q. Am I required to renew my salvage vehicle dealer or agent license each year?

A. Yes. Renewals are mailed approximately 45 days in advance of expiration. The renewal fee for either a salvage vehicle dealer license or salvage vehicle agent license is \$85, if renewed before the date the license expires.

Q. Is there a late fee assessed if my license has expired?

A. Yes. If your license has been expired for *less than 90 days*, the fee is \$127.50 per classification. If your license has been expired *more than 90 days*, the fee is \$170.00 per classification.

Note: You cannot operate your business until your salvage vehicle dealer license has been renewed or act as a salvage vehicle agent for a salvage business until both the salvage vehicle dealer license for that business and your salvage vehicle agent license have been renewed.

Q. Do corporations have to provide proof that all corporate franchise taxes have been paid when they renew a salvage vehicle dealer license?

A. Yes. A Certificate of Account Status is obtained from the Texas Comptroller of Public Accounts at 1-800-252-1386 or online at: www.window.state.tx.us.

METAL RECYCLERS

Q. What is a "metal recycler?"

A. A "metal recycler" is defined as a person who:

1. Predominately engaged in the business of obtaining ferrous (related to metals containing iron) or nonferrous (related to metals other than iron) metal that has served its original economic purpose to convert the metal, or sell the metal for conversion, into raw material products consisting of prepared grades and having an existing or potential economic value.
2. Has a facility to convert ferrous (related to metals containing iron) or nonferrous (related to metals other than iron) metal into raw material products consisting of prepared grades and having an existing or potential economic value, by methods other than the exclusive use of hand tools, including the processing, sorting, cutting, classifying, cleaning, baling, wrapping, shredding, shearing or changing the physical form or chemical content of the metal.
3. Sells or purchases the ferrous (related to metals containing iron) or nonferrous (related to metals other than iron) metal solely for use as raw material in the production of new products.

Q. Must a "metal recycler" be licensed as a salvage vehicle dealer?

A. A metal recycler is not required to hold or obtain a salvage vehicle dealer license, if a motor vehicle is sold, transferred, released or delivered to a metal recycler for the purpose of reuse or resale as a motor vehicle or as a source of used parts and the motor vehicle is used for that purpose.

Q. What is a metal recycler inventory number?

A. A metal recycler inventory number is a certificate issued by the department to metal recycling businesses that do not obtain motor vehicles for reuse or resale.

Q. How do I apply for a metal recycler inventory number?

A. Complete a *Metal Recyclers Inventory Number Application* (Form VTR-217) and submit the completed form to your local Vehicle Titles and Registration Division Regional Office. Upon approval of the application, you will be issued a *Certificate of Metal Recycler Inventory Number* (Form VTR-246).

FOR ADDITIONAL INFORMATION:

Contact (512) 465-7400, Option 1;
or write:

Texas Department of Motor Vehicles
Vehicle Titles and Registration Division
Title Control Systems
Austin, TX 78779-0001

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Salvage Motor Vehicle Dealers & Agents

FAQs

Frequently Asked Questions



Texas Department
of Motor Vehicles

www.TxDMV.gov

Vehicle Titles and
Registration Division



LICENSING REQUIREMENTS

Q. When is a salvage vehicle dealer license required?

A. A salvage vehicle dealer license is required if you:

- Purchase, sell, repair, rebuild or reconstruct more than five salvage motor vehicles, or otherwise deal in nonrepairable vehicles, in a calendar year.
- Store or display a motor vehicle as an agent or escrow agent of an insurance company.

Q. What type of salvage vehicle dealer license do I need to obtain in order to operate my business?

A. The following five classifications are available for a Texas salvage vehicle dealer license:

1. New automobile dealer - primary business is selling new motor vehicles, but may also buy salvage motor vehicles to repair and sell, or otherwise deal in nonrepairable motor vehicles
2. Used automobile dealer - primary business is selling used motor vehicles but may also buy salvage motor vehicles to repair and sell, or otherwise deal in nonrepairable motor vehicles
3. Salvage vehicle pool operator - primary business is selling nonrepairable motor vehicles or salvage motor vehicles at auction, including wholesale auction.
4. Salvage vehicle broker - primary business is buying, selling or exchanging salvage and nonrepairable motor vehicles with other licensed salvage vehicle dealers.
5. Salvage vehicle rebuilder - primary business is acquiring and repairing, rebuilding or reconstructing for operation on a public highway three or more salvage motor vehicles in a calendar year.

Q. What type of license do I need if I want to sell used vehicle parts?

A. To sell used vehicle parts you must obtain a "Used Automotive Parts Recycler" license. For more information contact the Texas Department of Licensing and Regulation, at 1-800-803-9202 or (512) 463-6599 or online at www.license.state.tx.us.

Q. Can I buy and sell blue titled vehicles with my salvage vehicle dealer license?

A. No. If you want to buy or sell vehicles with blue titles, you must obtain a motor vehicle dealer license (General Distinguishing Number, also known as a "P" number) from TxDMV's Motor Vehicle Division. For more information contact 1-877-366-8887 or (512) 416-4800.

Q. How many salvage vehicle agents can a salvage vehicle dealer authorize to operate under their license?

A. Up to five (5) persons.

Q. Do I need a state sales tax permit?

A. Yes. Contact the Texas Comptroller of Public Accounts for information concerning requirements at 1-800-252-5555 or online at www.window.state.tx.us.

Q. What other permits or licenses are required for my business location?

A. Additional local or municipal licenses may be required by the county, city or municipality where your business is located. Contact your city or county planning and zoning office for questions regarding the location and type of business you will be operating.

Q. Where can I obtain the forms necessary to apply for a salvage vehicle dealer or agent license or metal recycler inventory number?

A. The forms are available on the TxDMV Web site at www.TxDMV.gov.

SALVAGE VEHICLE DEALER LICENSE

Q. How do I apply for a salvage vehicle dealer license?

A. You must complete a *Salvage Vehicle Dealer License Application* (Form VTR-438-A).

Q. What is the fee for a salvage vehicle dealer license?

A. The initial fee is \$95.00 for **each** license classification requested.

Q. What other documents or forms do I need to send with the application?

A. If you are doing business as a:

1. Sole proprietor, you must provide:
 - a photocopy of your driver license; and
 - if your business is in a name other than your legal name, you must provide a copy of your Assumed Name Certificate (DBA) on file with the Secretary of State or county clerk's office.
2. Corporation, you must provide:
 - a photocopy of the driver license for all owners, partners, principal officers or directors;
 - a copy of your corporate charter as filed with the Secretary of State. You may obtain information concerning corporations and corporate filings from the Secretary of State's office at (512) 463-5555 or online at www.sos.state.tx.us;
 - verification that your corporate franchise taxes are paid. You can obtain verification of franchise tax payment (Certificate of Account Status) from the Texas Comptroller of Public Accounts at 1-800-252-1386 or online at www.window.state.tx.us.

Q. Do I have to provide my social security number and date of birth?

A. Yes. Your application will be rejected if this information is not provided. Be aware that a salvage vehicle dealer license may be suspended if you are overdue in child support payments under state law.

Q. What if I want my spouse on the application, but he/she is not on the Assumed Name Certificate?

A. You will need to obtain a corrected Assumed Name Certificate that indicates all names.

Q. What is a Federal Tax ID Number?

A. Contact the Internal Revenue Service for this information at 1-800-829-4933.

Q. Does a felony conviction prevent me from obtaining a salvage vehicle dealer license?

A. It must be at least *three years since the termination of the sentence, parole, mandatory supervision or probation for a felony conviction* before you are eligible for a salvage vehicle dealer license. A criminal history check is performed on all applicants. If you have a felony conviction and you are found ineligible for a license, your fees will NOT be refunded.

Q. I have several different locations for my business; do I need a separate license for each one?

A. A license applicant who intends to operate as a salvage vehicle dealer at more than one location within a county can operate with one license. Each location must be listed on the application, and the department must be notified of any additional acquired locations within that specific county. If operating as a salvage vehicle dealer within another county, or if locations are operated under different names, you will be required to obtain separate licenses for those business names or locations.

Q. What if I move my business location?

A. Our office must be notified in writing 10 days prior to the opening or relocation of a business.

Q. Do the three references required on the application need to be auto related?

A. No. Salvage vehicle businesses may be provided as references, but a business reference from any person with whom you do business is acceptable.

Q. Is the application required to be notarized?

A. Yes, and the notary seal must be shown.

Note: It cannot be notarized by anyone with an interest in the business.

Q. How long will it take to receive my salvage vehicle dealer license?

A. It takes approximately two weeks to investigate the applicant and process the application. If all license qualifications are met and the required fees are paid, the department will issue the license.

Q. What are the most common reasons applications are rejected?

A. The most common reasons for a rejection are:

- Assumed Name Certificate not enclosed
- Application not signed or notarized
- No date of birth and/or Social Security Number
- Fees not included
- No proof of franchise tax payment (corporations only)
- Undeclared felony conviction
- Application signed by someone other than the owner, partner or corporate officer